

SECOND REGULAR SESSION

# HOUSE BILL NO. 1676

## 96TH GENERAL ASSEMBLY

---

INTRODUCED BY REPRESENTATIVES NICHOLS (Sponsor), McNARY, HARRIS,  
ELLINGER AND TORPEY (Co-sponsors).

5632L.011

D. ADAM CRUMBLISS, Chief Clerk

---

### AN ACT

To repeal section 355.025, RSMo, and to enact in lieu thereof three new sections relating to homeowner and community improvement associations.

---

*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Section 355.025, RSMo, is repealed and three new sections enacted in lieu thereof, to be known as sections 355.025, 355.858, and 355.859, to read as follows:

355.025. **1.** Nonprofit corporations may be organized under this chapter for any one or more of the following or similar purposes: charitable; benevolent; eleemosynary; educational; civic; patriotic; political; religious; cultural; social welfare; health; cemetery; social; literary; athletic; scientific; research; agricultural; horticultural; soil, crop, livestock and poultry improvement; professional, commercial, industrial, or trade association; wildlife conservation; homeowner and community improvement association; recreational club or association; and for the ownership and operation of water supply facilities for drinking and general uses; and for the ownership of sanitary sewer collection systems and waste water treatment facilities; or for the purpose of executing any trust, or administering any community chest, fund or foundation, to further objects which are within the purview of this section. No group, association or organization created for or engaged in business or activity for profit, or on the cooperative plan, provision for the incorporation of which is made by any of the incorporation laws of this state, shall be organized or operate as a corporation under this chapter.

**2. Notwithstanding any other law, current and future homeowner and community improvement associations shall be organized and operated as nonprofit corporations under**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

16 this chapter and shall comply with the requirements of this chapter regarding insurance  
17 maintenance and dispute resolution.

355.858. 1. Notwithstanding the powers and duties described in the declaration or  
2 bylaws of any homeowner or community improvement association or any other law that  
3 is formed as a corporation under this chapter, such association shall purchase and  
4 maintain liability insurance:

5 (1) From an insurer licensed in this state and subject to the authority of the  
6 department of insurance, financial institutions and professional registration;

7 (2) Including commercial general liability insurance or its equivalent, which  
8 includes medical payments, in an amount determined by the executive board but not less  
9 than any amount specified in the declaration, covering occurrences commonly insured  
10 against for death, bodily injury, and property damage arising out of or in connection with  
11 the use, ownership, or maintenance of the areas or common ground;

12 (3) Policies that provide that:

13 (a) Each homeowner is an insured person under the policy with respect to liability  
14 arising out of his or her interest in the common ground, common area, or membership in  
15 the association;

16 (b) The insurer waives its rights to subrogation under the policy against any  
17 homeowner or members of his or her household; and

18 (c) If, at the time of a loss under the policy, there is other insurance in the name of  
19 a homeowner covering the same risk covered by the policy, the association's policy  
20 provides primary insurance.

21 2. Homeowner or community improvement associations may carry any other  
22 insurance such association deems appropriate to protect the association or the  
23 homeowners.

355.859. 1. A declarant, association, or homeowner may bring an action to enforce  
2 a right granted or obligation imposed by the declaration or bylaws of any homeowner or  
3 community improvement association. The court may award reasonable attorneys' fees and  
4 costs to a party seeking to enforce the provisions of the declaration as a plaintiff in such  
5 action provided such party is the prevailing party in such action.

6 2. Parties to a dispute arising under the declaration or the bylaws of a homeowner  
7 or community improvement association formed under this chapter may agree to resolve  
8 the dispute by any form of binding or nonbinding alternative dispute resolution.

✓